



# Benefit Focus

Department of Administration, Boise Idaho

May 2003

## Benefit Enrollment Now Through June 4, 2003; Changes Announced in State's Medical Plan

### Why an Enrollment Process?

- It is the **only time of the year** you are able to make certain changes to your health coverage.
- It is the only time of the year to enroll in the **Flexible Spending Account Program**.
- It is the only time you may **change your pre or post tax premium** withholding election.

The State of Idaho is committed to providing comprehensive benefits that meet the needs of its employees and their families and are competitive with Idaho's major employers. This newsletter highlights the benefit offerings and changes for **FY04**. Please contact the **Office of Insurance Management** if you desire further information and/or have questions.

*(Contact resources listed on Page 3)*

### Pre-Tax Premium Withholding Saves You Money

The state's Medical Plan allows you to save money paying your monthly healthcare premiums with before tax dollars. Between now and June 4, 2003, you may change your premium election from pre-tax to post-tax, or visa versa.

### State Introduces One Medical Plan

Effective July 1, the state's two Regence BlueShield modules will convert to one Medical Plan (module) which is similar to the Modules provided for this year. **The HMOBlue Point of Service Plan in northern Idaho will no longer be available.**

*(Details inside)*

The single FY04 medical plan is available to all eligible state employees. After you pay your deductible, the plan generally pays 80 percent of most allowable charges. With this plan you can use any provider you want – **but you save money** when you use providers who belong to the Regence BlueShield of Idaho network.

### Group Medical Plan Adjustments to Maximize Employee Benefits

Like many employers, the State of Idaho continues to face the ongoing problem of increases in health care costs. Regence BlueShield, the state's Medical Plan provider, requested a **21.5% increase** in premium costs for FY 2004.

To help minimize the financial impact upon state employees, **Governor Dirk Kempthorne recommended** and the **Idaho Legislature approved**, significant funding support to state agencies to cover approximately **17% of the increase**.

This support, however, did not cover the entire requested increase. **The shortage is \$4.4 million.** To meet the budget shortfall, and to maintain a stable group health program, one Medical Plan (module) will now be offered.

### Variety of Delivery Systems, Options Considered

The Department of Administration reviewed a variety of benefit delivery systems and options in order to minimize disruption of the basic Medical Plan. At the end of FY 02, our group covered **47,589** employees, retirees and their dependents and incurred costs in excess of **\$102 million**.

**While there are changes, the basics of the plan, including prescription drugs will be the same as this year's Module 2 Plan design.** Adjustments have been made to some peripheral aspects of coverage such as vision services; and the **premium structure has moved from four tiers to five** to better reflect utilization and demographics.

### The following changes will be effective July 1, 2003.

- There will be **one Medical Plan** available. Bringing all active employees into one plan has resulted in a new premium structure, and some adjustments to employee premiums. **Some rates will go down, others will go up.**

*(Continued on Page 3)  
Adjustments*

# Important Details About Your Medical, Dental

## Fiscal Year 2004 Monthly Premium Rates

The fiscal year 2004 monthly contribution rates for Employee-paid Medical, Vision and Dental coverage in the new one module premium structure are as follows:

(Note: There is no overall premium increase in dental coverage for FY04).

Medical, Vision, Dental	Employee Only	**Employee Plus Spouse	**Employee Plus Child	**Employee Plus 2 or More Children	**Employee Plus Spouse & Children
BlueShield Medical	\$24.00	\$60.00	\$39.00	\$54.00	\$81.00
Vision Service Plan (VSP)	\$0.00	\$2.00	\$3.00	\$3.00	\$6.00
Delta Dental	\$4.00	\$24.00	\$20.00	\$31.00	\$40.00

Employees previously enrolled as a Split will now enroll in either Employee Plus Child or Employee Plus 2 or More Children.

\*\* Note additional premium tiers

## What Has Not Changed ...

- No changes to Prescription drug benefits
- Co-Insurance levels: (remain at 80% insurance; 20% employee)
- All existing medical benefits will continue

Deductibles and out-of-pocket maximum are reduced from current Module 2 levels

- No changes to the IBHP

## Summary of Blue Shield Medical Plan Benefits FY2004

Annual Deductible	\$350/person; \$1,050/family maximum
Annual Coinsurance Out-of-Pocket Maximum	\$4,300/person (includes deductible)
Physician Office Visit	80% of Allowable Charges
Hospital Inpatient Services	80% of Allowable Charges
Outpatient Surgery	80% of Allowable Charges
Prescription Drugs	Participating Pharmacy: Generic—\$12 co-pay  Brand Without Generic Equivalent—\$18 co-pay  Brand With Generic Equivalent—\$40 co-pay plus cost difference between brand and generic  <i>A 90 day supply of a maintenance drug can be obtained for two (2) co-pays</i>
Emergency Room Visit	\$100 co-pay, then covered at 80% of Allowable Charges (co-pay waived if admitted)



## Summary of Dental Benefits FY2004

TREATMENT	BENEFIT
Annual Deductible	\$25 per person
Annual Maximum Benefit	\$1,000 not including orthodontic benefits
Diagnostic and Preventative Services - exams and cleanings (once every six months); x-rays	70% of Allowable Charges
Basic Restorative Services (fillings and repairs)	70% of Allowable Charges
Oral Surgery, Periodontics Endodontics (root canals)	50% of Allowable Charges
Major Restorative Services (crowns, dentures, bridges, after 12-month waiting period)	50% of Allowable Charges
Orthodontic Services after 12 month waiting period	50% of Allowable Charges; \$1,000 Lifetime

# ... and Vision Coverages

## Module 1 and Module 2 Employees Automatically Transferred to New Medical Plan

All employees and dependents currently enrolled in Module 1 and Module 2 will be *transferred automatically* to the new BlueShield Medical Plan **effective July 1, 2003.**

### *Important Information for HMOBlue Point of Service Subscribers*

**If you are an HMOBlue Point of Service Plan subscriber, your coverage will end on June 30. If you want to have group medical coverage for yourself and your dependents after June 30, you must complete and submit a BlueShield enrollment form no later than 5 p.m. on June 4, 2003. BlueShield enrollment forms are available from your Human Resource office.**

### *A Note About Medical Plan Waiting Periods*

The 12-month waiting period for pre-existing conditions will be waived for all employees and dependents currently enrolled in one of the state's existing medical plans who become enrolled in the new BlueShield medical plan effective July 1.

### *Dependent Vision Coverage*

**Vision coverage for dependents will be optional beginning July 1. All dependents currently enrolled for medical coverage will be enrolled for vision coverage on that date unless you complete a Dependent Vision Declination form and return it to your Human Resource office by June 4.** This form may be downloaded from the OIM website at: [www2.state.id.us/adm/insurance/group\\_index.htm](http://www2.state.id.us/adm/insurance/group_index.htm)

If you decide to cancel dependent vision coverage **after** the new plan begins on July 1, you may do so by completing a Dependent Vision Declination form. Coverage will end the first day of the month following the date you decline coverage. There **will not** be an annual vision plan open enrollment. If you decide to decline dependent vision coverage, you will not be able to obtain coverage again until a special vision plan open enrollment is held.

### *Supplemental Life Insurance Rates Unchanged*

Supplemental Life Insurance premium rates are unchanged.

## What You Need To Do ...



- Read about your Medical Plan changes and the **Flexible Spending Account** options in this newsletter. More information is available online at: [www2.state.id.us/empportal/](http://www2.state.id.us/empportal/) or contact the resources listed below.
- **Decide** whether or not to retain Vision coverage for your dependents currently enrolled in the Medical program. Under the new plan, a separate premium will be charged for dependents, as is the case for the Dental program. If you want to **decline dependent vision coverage**; or **enroll or re-enroll in one or both of the Flexible Spending Accounts**, you will need to obtain these forms from your Human Resources/Payroll office.
- **Complete the form(s) and return them to your Human Resource/Payroll office by 5 p.m., June 4, 2003.**

## Group Medical Plan Adjustments ...

### *(Continued from Page 1) Adjustments*

- The **Vision Program** will be offered on the same basis as the Dental Program. This means that the employees will be covered, but a **separate premium will be charged to the employee for dependent coverage.**
- The **“Split” enrollment category is no longer necessary with the new five tier rate structure**. The employee who previously enrolled as a “Split” will now enroll in either the “Employee Plus Child” or the “Employee Plus 2 or More Children” rate category. The employee’s spouse will continue to enroll as Employee Only. **Payroll centers are automatically converting current “Split” memberships to the new rate tier based on enrollment information provided by the carriers.**

*(See Monthly Premium Rate Chart, top of Page 2)*

## Contact Information, Resources

Review the **Employee Group Insurance Handbook** and the **Summary of Benefits** online at the State Employee Portal:

[www2.state.id.us/empportal/](http://www2.state.id.us/empportal/)

Contact: **Office of Insurance Management: 1-800-531-0597, or (208) 332-1860** or via email: [ogi@adm.state.id.us](mailto:ogi@adm.state.id.us)

Contact the **Plan Providers** Directly at:

- **Regence BlueShield of Idaho (208) 746-2671 or 800-632-2022** or: [www.id.regence.com](http://www.id.regence.com)
- **Delta Dental Plan of Idaho (208) 344-4546 or 888-333-3582** or [www.deltadentalid.com](http://www.deltadentalid.com)
- **Flexible Spending Accounts:** Stanley, Hunt, DuPree, Rhine and Associates, Inc. **(800) 930-2417**

# Save Money By Enrolling In the Flexible Spending Account (FSA); Two Options Available ...

## You Can Only Enroll During the Enrollment Period Now - Through June 4, 2003

This is the only time of year you may enroll in the FSA, and you must re-enroll every year to continue an existing account.

Enrollment information is available from your human resources office. The FSA Enrollment Form can be downloaded from the OIM website at:

[www2.state.id.us/adm/insurance/group\\_index.htm](http://www2.state.id.us/adm/insurance/group_index.htm)

Remember, you must complete and return your enrollment form to your HR office **no later than 5 p.m. June 4, 2003.**

Once our FSA administrator, Stanley, Hunt, DuPree and Rhine receives your enrollment form, they will send you claim forms and claim filing instructions.

### *There are two ways to save with the FSA:*

Flexible Spending Accounts allow you to pay for eligible health care and dependent care expenses on a tax-free basis. There are two kinds of accounts for you to choose.

**The Dependent Care Account** allows you to set aside up to \$4,992 to pay for dependent daycare expenses.

**The Medical Reimbursement Account** allows you to set aside up to \$2,500 in funds to pay for medically necessary expenses that could qualify for income tax deduction, such as:

- **Deductibles and Coinsurance**
- **Prescription Drugs**
- **Orthodontia**
- **Hearing Aids**
- **Smoking Cessation Medications**
- **Immunizations**
- **Chiropractor Charges**
- **Physical Therapist Fees**



For complete information on eligible and ineligible health-care expenses, refer to IRS Publication 502, available at: [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf)

You can participate in either or both accounts. However, when you enroll you must calculate how much you would like deducted from each paycheck. **Money left in the account after the plan year ends is lost and cannot be carried over into the next year.** If you plan carefully, your savings can be substantial.



## **Important Information About Your Health Insurance Open Enrollment**

PRST STD  
U.S. POSTAGE  
PAID  
PERMIT NO. 1  
BOISE, IDAHO

## State of Idaho

### Department of Administration

Office of Insurance Management  
650 West State Street, Room 100  
Boise, Idaho 83720-0079

This publication presents general benefit information. In the event of any conflict between the information in this publication and the Plan provisions, the Plan documents and insurance contracts will govern.